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Credit and the Credit Man. By PETER P. WAHLSTAD. With the Collaboration of WALTER S. JOHNSON. Modern Business Series, Vol. VIII. (New York: Alexander Hamilton Institute. 1917. Pp. xviii, 342.)

This text has passed through several editions since its introduction into the Modern Business Series in 1914 by Mr. Wahlstad; the contents and arrangement have not, however, changed much. It covers Credit, Collections, and Bankruptcy. The author was assisted by Professor C. W. Gerstenberg in the preparation of the legal matters in the chapters on bankruptcy and the remedies available for the protection of merchandise creditors.

The purposes in view and the scope are stated as follows: Although the text "aims to cover the whole field of commercial procedure in both wholesale and retail business, special emphasis is laid upon the discussion of credit title and upon the analysis of credit information with a view to determining the existence of such title on the credit seeker's part"; its object is to shed "considerable new light upon old questions" and to advocate a credit policy which will commend itself as "safe and profitable in the conduct of a modern credit department"; and it "discusses the means by which the credit man is made a constructive force in business."

Its scope is delimited to the credit features of the wholesale and retail business; it does not concern itself with personal, public, financial, or bank credit; it is restricted to "mercantile credit." To the reviewer it seems too narrowed in scope; since jobbers, agents, and retailers procure credit at banks and their success or failure is directly conditioned upon accommodation at banks, differences of attitude and practice between the bank credit man and the commercial credit man become of great importance, and warrant special consideration of the bank credit man's position. The problem of any wholesaler or retailer is quite as much a problem of procuring credit as extending credit; and while only the extension of credit is handled by the wholesaler's or retailer's credit man, the bank's credit man passes upon credit which the wholesaler or retailer procures and is influenced by certain different credit factors.

In the light of the intention to lay "special emphasis . . . upon the analysis of credit information," it is decidedly disappointing to find but four pages and a half given to principles of analysis and these even consisting of statements found in nearly every

text on the subject. If any credit man were to be guided solely by the principles given, this "most important part of the credit department's work—namely, to analyze this information in order to reach an intelligent conclusion," would be poorly done. For instance, for the analysis of the merchandise inventory, suggestive interrogations are given but no positive guiding principles. Instead of presenting such guiding principles twenty-three pages of illustrations of analyses are given from which the novice is presumably to discover principles.

The author takes a firm stand against "credit insurance" and argues that security lies only in "conservative management." It is regrettable that he does not take a positive and aggressive stand for the "trade acceptance" and so help the propaganda of the National Association of Credit Men, the Federal Reserve Board and banks, and the leading bankers and others for the substitution of the trade acceptance for the open-book-account system. In chapter 10, he also fails to bring out the great influence which the wholesalers', retailers', and credit-men's associations have in determining and affecting the terms of sale in the trade. The work of the National Association of Credit Men is well described; in connection with it a statement as to the composition and internal organization of the association would prove helpful.

The most complete chapters are those devoted to the sources and collection of credit information and to credit protection. The use of financial statements, mercantile agencies, credit clearing, and the reporting by banks, attorneys, and selling agents are given in an instructive and interesting manner. The character and qualifications of the credit man are well portrayed. The text is a well-rounded and proportioned contribution to the literature on credit extension, and bears very intimate relations to the volumes of the Modern Business Series on *Salesmanship and Sales Management* and *Marketing Methods*.

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NEW BOOKS

ATWOOD, A. W. *The exchanges and speculation*. Modern business, vol. 20. (New York: Alexander Hamilton Inst. 1917. Pp. vi, 334.)

COLLYER, C. *How to analyze industrial securities*. (New York: Moody's Investors Service. 1917. Pp. 204. \$2.)